

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

HOUSE ENROLLED ACT No. 1652

AN ACT to amend the Indiana Code concerning labor and industrial safety.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 22-4-11-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. (a) The commissioner shall for each year determine the contribution rate applicable to each employer.

(b) The balance shall include contributions with respect to the period ending on the computation date and actually paid on or before July 31 immediately following the computation date and benefits actually paid on or before the computation date and shall also include any voluntary payments made in accordance with IC 22-4-10-5:

(1) for each calendar year, an employer's rate shall be determined in accordance with the rate schedules in section 3 of this chapter; and

(2) for each calendar year, an employer's rate shall be two and seven-tenths percent (2.7%), except as otherwise provided in IC 22-4-37-3, unless and until:

(A) the employer has been subject to this article throughout the thirty-six (36) consecutive calendar months immediately preceding the computation date; and

(B) there has been some annual payroll in each of the three (3)

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twelve (12) month periods immediately preceding the computation date.

(c) In addition to the conditions and requirements set forth and provided in subsection (b)(2)(A) and (b)(2)(B), an employer's rate shall not be less than five and four-tenths percent (5.4%) unless all required contribution and wage reports have been filed within thirty-one (31) days following the computation date and all contributions, penalties, and interest due and owing by the employer or his predecessors for periods prior to and including the computation date have been paid:

- (1) within thirty-one (31) days following the computation date; or
- (2) within ten (10) days after the commissioner has given the employer a written notice by registered mail to the employer's last known address of:

- (A) the delinquency; or

- (B) failure to file the reports;

whichever is the later date.

The board or the board's designee may waive the imposition of rates under this subsection if the board finds the employer's failure to meet the deadlines was for excusable cause. The commissioner shall give written notice to the employer before this additional condition or requirement shall apply.

(d) However, if the employer is the state or a political subdivision of the state or any instrumentality of a state or a political subdivision, or any instrumentality which is wholly owned by the state and one (1) or more other states or political subdivisions, the employer may contribute at a rate of one percent (1%) until it has been subject to this article throughout the thirty-six (36) consecutive calendar months immediately preceding the computation date.

(e) On the computation date every employer who had taxable wages in the previous calendar year shall have the employer's experience account charged with the amount determined under the following formula:

STEP ONE: Divide:

- (A) the employer's taxable wages for the preceding calendar year; by

- (B) the total taxable wages for the preceding calendar year.

STEP TWO: Multiply the quotient determined under STEP ONE by the total amount of benefits charged to the fund under section 1 of this chapter.

(f) One (1) percentage point of the rate imposed under subsection (c) or the amount of the employer's payment that is attributable to the increase in the contribution rate, whichever is less, shall be imposed as



a penalty that is due and ~~except as provided in subsection (g),~~ shall be deposited upon collection into the special employment and training services fund established under IC 22-4-25-1. The remainder of the contributions paid by an employer pursuant to the maximum rate shall be:

- (1) considered a contribution for the purposes of this article; and
- (2) deposited in the unemployment insurance benefit fund established under IC 22-4-26.

~~(g) After the total amount deposited into the special employment and training services fund under subsection (f) equals one million five hundred thousand dollars (\$1,500,000) during a program year; any additional amount collected under subsection (f) shall be deposited into the unemployment insurance benefit fund established under IC 22-4-26-1. Money deposited in the unemployment insurance benefit fund under this subsection shall be credited pro rata to the experience accounts of employers subject to contribution.~~

SECTION 2. IC 22-4-18-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 7. (a) **The department annually shall prepare a written report of its training activities and the training activities of the various workforce investment boards during the immediately preceding state fiscal year. The department's annual report for a particular state fiscal year must include information for each training project for which either the department or a workforce development board provided any funding during that state fiscal year. At a minimum, the following information must be provided for such a training project:**

- (1) A description of the training project, including the name and address of the training provider.**
- (2) The amount of funding that either the department or a workforce investment board provided for the project and an indication of which entity provided the funding.**
- (3) The number of trainees who participated in the project.**
- (4) Demographic information about the trainees, including the age of each trainee, the education attainment level of each trainee, and for those training projects that have specific gender requirements, the gender of each trainee.**
- (5) The results of the project, including skills developed by trainees, any license or certification associated with the training project, the extent to which trainees have been able to secure employment or obtain better employment, and descriptions of the specific jobs which trainees have been able**

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to secure or to which trainees have been able to advance.

(b) With respect to trainees that have been able to secure employment or obtain better employment, the department of workforce development shall compile data on the retention rates of those trainees in the jobs which the trainees secured or to which they advanced. The department shall include information concerning those retention rates in each of its annual reports.

(c) On or before October 1 of each state fiscal year, each workforce investment board shall provide the department with a written report of its training activities for the immediately preceding state fiscal year. The workforce development board shall prepare the report in the manner prescribed by the department. However, at a minimum, the workforce development board shall include in its report the information required by subsection (a) for each training project for which the workforce development board provided any funding during the state fiscal year covered by the report. In addition, the workforce development board shall include in each report retention rate information as set forth in subsection (b).

(d) The department shall provide a copy of its annual report for a particular state fiscal year to the:

- (1) governor;
- (2) legislative council; and
- (3) unemployment insurance board;

on or before December 1 of the immediately preceding state fiscal year.

SECTION 3. IC 22-4-18.1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 5. (a) ~~The council shall~~ be comprised of the following members:

(1) ~~The directors of the various state agencies, including the state superintendent of public instruction with regard to the department of education or the state superintendent's designee, directed to administer the applicable federal programs who shall serve as ex officio members of the council:~~

(2) ~~Not more than thirty (30) members appointed by the governor according to the following guidelines:~~

(A) ~~Not more than ten (10) members if thirty (30) members are appointed under this subdivision (or one-third (1/3) of the appointed members under this subdivision if less than thirty (30) members are appointed) who represent business and industry, including individuals who represent business and industry on private industry councils in Indiana:~~

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(B) Not more than ten (10) members if thirty (30) members are appointed under this subdivision (or one-third (1/3) of the appointed members under this subdivision if less than thirty (30) members are appointed) who represent labor, special populations, and community-based organizations (with a majority of the members described in this clause as representing labor);

(C) Not more than ten (10) members if thirty (30) members are appointed under this subdivision (or one-third (1/3) of the appointed members under this subdivision if less than thirty (30) members are appointed) who represent education and government. Not later than June 30, 2000, the membership of the state human resource investment council established under IC 22-4-18.1 must consist of the following:

- (1) The governor.
- (2) Two (2) members of the senate, appointed by the president pro tempore of the senate. The members appointed under this subdivision may not be members of the same political party.
- (3) Two (2) members of the house of representatives, appointed by the speaker of the house of representatives. The members appointed under this subdivision may not be members of the same political party.
- (4) The following members appointed by the governor:
 - (A) Representatives of business in Indiana who:
 - (i) are owners of businesses, chief executives, or operating officers of businesses, and other business executives or employers with optimum policy making or hiring authority, including members of regional boards under IC 22-4.5-3-3(b)(1)(A) (as described in Section 117(b)(2)(A)(i) of the Workforce Investment Act of 1998);
 - (ii) represent businesses with employment opportunities that reflect the employment opportunities of Indiana; and
 - (iii) are appointed from among individuals nominated by state business organizations and business trade associations.
 - (B) Chief elected officials representing municipalities and counties.
 - (C) Representatives of labor organizations who have been nominated by the Indiana State AFL-CIO.
 - (D) Representatives of individuals and organizations that



have experience with respect to youth activities.

(E) Representatives of individuals and organizations that have experience and expertise in the delivery of workforce investment activities, including chief executive officers of any community colleges established in Indiana and community-based organizations in Indiana.

(F) Lead state officials with responsibility for the programs, services, and activities described in Section 121(b) of the Workforce Investment Act of 1998 and carried out by one stop partners or, if there is no lead state official with responsibility for such a program, service, or activity, a person with expertise relating to the program, service, or activity.

(G) Other representatives and state officials designated by the governor.

(b) The governor shall appoint ~~the~~ as chairman of the council ~~from within the council's membership~~: a member described in subsection (a)(4)(A).

(c) A majority of the members of the council must be members described in subsection (a)(4)(A).

(d) At least fifteen percent (15%) of the members of the council must be representatives of labor.

(e) Members of the council that represent organizations, agencies, or other entities shall be individuals with optimum policy making authority within the organizations, agencies, or entities. The members of the council must represent diverse regions of Indiana, including urban, rural, and suburban areas.

SECTION 4. IC 22-4-25-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. (a) There is created in the state treasury a special fund to be known as the special employment and training services fund. All interest on delinquent contributions and penalties collected under this article, together with any voluntary contributions tendered as a contribution to this fund, shall be paid into this fund. The money shall not be expended or available for expenditure in any manner which would permit their substitution for (or a corresponding reduction in) federal funds which would in the absence of said money be available to finance expenditures for the administration of this article, but nothing in this section shall prevent said money from being used as a revolving fund to cover expenditures necessary and proper under the law for which federal funds have been duly requested but not yet received, subject to the charging of such expenditures against such funds when received.

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The money in this fund shall be used by the board for the payment of refunds of interest on delinquent contributions and penalties so collected, for the payment of costs of administration which are found not to have been properly and validly chargeable against federal grants or other funds received for or in the employment and training services administration fund, on and after July 1, 1945. Such money shall be available either to satisfy the obligations incurred by the board directly, or by transfer by the board of the required amount from the special employment and training services fund to the employment and training services administration fund. No expenditure of this fund shall be made unless and until the board finds that no other funds are available or can properly be used to finance such expenditures, except that expenditures from said fund may be made for the purpose of acquiring lands and buildings or for the erection of buildings on lands so acquired which are deemed necessary by the board for the proper administration of this article. The board shall order the transfer of such funds or the payment of any such obligation or expenditure and such funds shall be paid by the treasurer of state on requisition drawn by the board directing the auditor of state to issue the auditor's warrant therefor. Any such warrant shall be drawn by the state auditor based upon vouchers certified by the board or the commissioner. The money in this fund is hereby specifically made available to replace within a reasonable time any money received by this state pursuant to 42 U.S.C. 502, as amended, which, because of any action or contingency, has been lost or has been expended for purposes other than or in amounts in excess of those approved by the bureau of employment security. The money in this fund shall be continuously available to the board for expenditures in accordance with the provisions of this section and shall not lapse at any time or be transferred to any other fund, except as provided in this article. Nothing in this section shall be construed to limit, alter, or amend the liability of the state assumed and created by IC 22-4-28, or to change the procedure prescribed in IC 22-4-28 for the satisfaction of such liability, except to the extent that such liability may be satisfied by and out of the funds of such special employment and training services fund created by this section.

(b) The board, subject to the approval of the budget agency and governor, is authorized and empowered to use all or any part of the funds in the special employment and training services fund for the purpose of acquiring suitable office space for the department by way of purchase, lease, contract, or in any part thereof to purchase land and erect thereon such buildings as the board determines necessary or to assist in financing the construction of any building erected by the state

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or any of its agencies wherein available space will be provided for the department under lease or contract between the department and the state or such other agency. The commissioner may transfer from the employment and training services administration fund to the special employment and training services fund amounts not exceeding funds specifically available to the commissioner for that purpose equivalent to the fair, reasonable rental value of any land and buildings acquired for its use until such time as the full amount of the purchase price of such land and buildings and such cost of repair and maintenance thereof as was expended from the special employment and training services fund has been returned to such fund.

(c) The board may also transfer from the employment and training services administration fund to the special employment and training services fund amounts not exceeding funds specifically available to the commissioner for that purpose equivalent to the fair, reasonable rental value of space used by the department in any building erected by the state or any of its agencies until such time as the department's proportionate amount of the purchase price of such building and the department's proportionate amount of such cost of repair and maintenance thereof as was expended from the special employment and training services fund has been returned to such fund.

(d) Whenever the balance in the special employment and training services fund is deemed excessive by the board, the board shall order payment into the unemployment insurance benefit fund of the amount of the special employment and training services fund deemed to be excessive.

(e) Subject to the approval of the board, the commissioner may use not more than ~~four five~~ million ~~five hundred thousand~~ dollars (~~\$4,500,000~~) (**\$5,000,000**) during a program year for:

(1) training and counseling assistance under IC 22-4-14-2 provided by state educational institutions (as defined in IC 20-12-0.5-1) or counseling provided by the department for individuals who:

- (A) have been unemployed for at least four (4) weeks;
- (B) are not otherwise eligible for training and counseling assistance under any other program; and
- (C) are not participating in programs that duplicate those programs described in subdivision (2); or

(2) training provided by the state educational institution established under IC 20-12-61 to participants in joint labor and management apprenticeship programs approved by the United States Department of Labor's Bureau of Apprenticeship Training.

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During a particular program year, the department may not use more than one hundred fifty thousand dollars (\$150,000) of the money available under this subsection for its administrative expenses. During a particular program year, at least ~~ninety~~ **ninety-four** percent (~~90%~~) (**94%**) of the money used under this subsection (excluding money used by the department for its administrative expenses) shall be allocated for training programs described in subdivision (2). ~~divided equally between.~~ **Of the money allocated for training programs described in subdivision (2), forty-five percent (45%) is designated for industrial programs, and the remaining fifty-five percent (55%) is designated for building trade programs.** During a particular program year, not more than ~~ten~~ **six** percent (~~10%~~) (**6%**) of the money used under this subsection (excluding money used by the department for its administrative expenses) may be allocated for training and counseling assistance under subdivision (1). ~~In addition, not more than fifteen percent (15%) of the money used for training and counseling assistance under subdivision (1) may be used for administrative expenses of the department.~~ Training or counseling provided under IC 22-4-14-2 does not excuse the claimant from complying with the requirements of IC 22-4-14-3. Eligibility for training and counseling assistance under subdivision (1) shall not be determined until after the fourth week of eligibility for unemployment training compensation benefits.

SECTION 5. IC 22-4.5 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

ARTICLE 4.5. THE WORKFORCE INVESTMENT SYSTEM

Chapter 1. Purpose

Sec. 1. The workforce investment system is established to achieve the following goals:

- (1) To coordinate activities at the state and local levels to increase the employment, retention, occupational skills, and earnings of the workforce.
- (2) To reduce welfare dependency.
- (3) To enhance the productivity and competitiveness of Indiana business and industry.
- (4) To encourage continuous improvement in worker preparation from kindergarten through adulthood.

Chapter 2. Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Chief elected official" means:

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- (1) the executive of a second or third class city that:
 - (A) has a population of not less than five thousand (5,000);
 - (B) is located in a workforce investment area; and
 - (C) is the only city located in the workforce investment area that has a population of at least five thousand (5,000);
- (2) a member of the executive body of a county located in a workforce investment area, selected by the executive body of the county; or
- (3) if there is more than one (1) chief elected official in the workforce investment area meeting the definition of subdivision (1) or (2), the elected official designated by an agreement between the cities and counties to carry out the responsibilities of the chief elected official under the Workforce Investment Act;

who is designated by an agreement between the cities and counties to carry out the responsibilities of the chief elected official under the Workforce Investment Act.

Sec. 3. "Department" refers to the department of workforce development established under IC 22-4.1-2.

Sec. 4. "Executive" has the meaning set forth in IC 36-1-2-5.

Sec. 5. "Incumbent worker council" refers to an advisory committee to a regional board under IC 22-4.5-3-3.

Sec. 6. "One stop center" means a physical location that:

- (1) provides access to all one stop services and one stop partners;
- (2) is certified by the regional board; and
- (3) includes an onsite information resource area that meets minimum criteria established by the department.

Sec. 7. "One stop partner" refers to:

- (1) a mandatory partner under IC 22-4.5-4-2; or
- (2) an optional partner under IC 22-4.5-4-3.

Sec. 8. "One stop system" means a regional system of service delivery that complies with IC 22-4.5-4-1.

Sec. 9. "Regional board" means a local workforce investment board established under Title I, section 117 of the Workforce Investment Act.

Sec. 10. "State board" refers to the state human resource investment council established under IC 22-4-18.1.

Sec. 11. "State plan" means the unified state plan developed under Title I, section 112 of the Workforce Investment Act that complies with IC 22-4.5-3-1.

Sec. 12. "Workforce investment area" means an area designated

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under section 116 of the Workforce Investment Act.

Sec. 13. "Workforce Investment Act" refers to the federal Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.).

Sec. 14. "Youth council" refers to an advisory committee to a regional board under IC 22-4.5-3-4.

Chapter 3. State Plan and Establishment of Workforce Investment Areas

Sec. 1. The state board shall recommend to the governor a unified state plan for the workforce investment system that includes:

- (1) secondary vocational education programs authorized under the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.); and
- (2) the programs of one stop partners designated by the governor.

Sec. 2. (a) The department shall designate not more than sixteen (16) workforce investment areas consistent with the state plan. An initial designation as a workforce investment area may not have a duration of more than two (2) years. If a designated workforce investment area meets all criteria under subsection (b) and the performance requirements of the department and federal law during the two (2) year period, the area's designation as a workforce investment area shall be continued for the next three (3) years.

(b) The department shall use the following criteria in designating a workforce investment area:

- (1) The geographic areas served by local educational agencies.
- (2) The geographic areas served by postsecondary educational institutions and area vocational schools.
- (3) The extent to which the geographic areas are consistent with labor market areas.
- (4) The distance that individuals will need to travel to receive services.
- (5) The resources that are available to effectively administer workforce investment activities.
- (6) Requests from the chief elected officials who represent at least fifty-one percent (51%) of the population of the area requesting designation.

(c) The department shall:

- (1) require areas that share a labor market or an economic region to develop a single joint plan; and
- (2) align other administrative areas of the department with

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the regional planning areas to the extent practicable.

Sec. 3. (a) A workforce investment area shall be overseen by a regional board that complies with the Workforce Investment Act. The regional board shall serve as a board or council for any future federal or state workforce investment fund that requires the use of a local or regional board or council.

(b) The governor, in partnership with the state board, shall establish criteria to be used by chief elected officials in the workforce investment areas for appointment of members of the regional boards. The criteria must include at least the following:

(1) The membership of each regional board must include the following:

(A) Representatives of business in the workforce investment area who:

- (i)** are owners of businesses, chief executives, or operating officers of businesses, and other business executives, or employers with optimum policy making or hiring authority;
- (ii)** represent businesses with employment opportunities that reflect the employment opportunities of the workforce investment area; and
- (iii)** are appointed from among individuals nominated by local business organizations and business trade associations.

(B) Representatives of local educational entities, including representatives of local educational agencies, local school boards, entities providing adult education and literary activities, and postsecondary educational institutions (including representatives of community colleges, if applicable). Members described in this clause must be selected from among individuals nominated by regional or local educational agencies, institutions, or organizations representing local educational entities.

(C) Representatives of labor organizations (for a workforce investment area in which employees are represented by labor organizations) who have been nominated by local central labor councils. If no employees in the workforce investment area are represented by labor organizations, members selected under this clause must be representatives of employees.

(D) Representatives of community based organizations, including organizations representing individuals with

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disabilities and veterans, for a local area where these organizations exist.

(E) Representatives of economic development agencies, including private sector economic development entities.

(F) Representatives of each of the one stop partners.

(2) The membership of each regional board may also include any other individuals or representatives of entities that the chief elected official in the workforce investment area determines to be appropriate.

(c) Members of a regional board who represent organizations, agencies, or other entities must be individuals with optimum policy making authority within the organizations, agencies, or entities.

(d) A majority of the members of each regional board must be members described in subsection (b)(1)(A).

(e) Each regional board shall elect a chairperson for the regional board from among the members described in subsection (b)(1)(A).

(f) At least fifteen percent (15%) of the voting members of the regional board must be representatives of labor.

Sec. 4. (a) Each regional board shall establish an incumbent worker council as an advisory committee to the regional board.

(b) The regional board, with the cooperation of the chief elected official, shall appoint members of the incumbent worker council under criteria established by the department. At least thirty-three percent (33%) of the members of the incumbent worker council must be representatives of labor.

(c) A member of the incumbent worker council who is not a member of the regional board at the time the member is appointed to the incumbent worker council is:

- (1) a voting member of the incumbent worker council; and
- (2) a nonvoting member of the regional board.

(d) The incumbent worker council shall develop and recommend to the regional board a plan to develop the incumbent workforce of the workforce investment area. The department shall provide technical assistance to the incumbent worker council and regional board in the development of the plan.

(e) Subject to approval by the regional board, the incumbent workforce development plan developed under this section must be incorporated into the workforce investment plan submitted by the regional board to the department.

Sec. 5. (a) Each regional board shall establish a youth council as an advisory committee to the regional board.



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(b) The regional board, with the cooperation of the chief elected official, shall appoint members of the youth council under criteria established by the department. The regional board and chief elected official may appoint the school-to-work partnership serving the area as the youth council if the school-to-work partnership meets the membership requirements for the youth council set forth in the Workforce Investment Act.

(c) A member of the youth council who is not a member of the regional board at the time the member is appointed to the youth council is:

- (1) a voting member of the youth council; and
- (2) a nonvoting member of the regional board.

(d) The youth council shall:

- (1) develop and recommend to the regional board a plan for eligible youth;
- (2) recommend to the regional board eligible providers of youth activities to which the regional board may award grants or contracts on a competitive basis;
- (3) oversee eligible providers of youth activities in the workforce investment area; and
- (4) coordinate youth activities authorized under the Workforce Investment Act.

(e) The youth plan developed under this section must be incorporated into the workforce investment plan submitted by the regional board to the department.

Chapter 4. The One Stop System and One Stop Partners

Sec. 1. A regional board shall establish a one stop system that meets the following criteria:

- (1) The system provides core services (as defined in 20 U.S.C. 9201) through at least one (1) physical site that is certified as a workforce development center by the regional board.
- (2) The system provides access to intensive services and training (as defined in 20 U.S.C. 9201).
- (3) The system provides access to the programs and activities of one stop partners.
- (4) The system provides access to the information described in section 15 of the Wagner-Peyser Act and all job search, placement, recruitment, and other labor exchange services authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.).
- (5) The system makes the programs, services, and activities of one stop partners available through:

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(A) a network of affiliated sites that consist of physical locations; or

(B) electronically or technologically linked access points.

(6) The system assures individuals that information on the availability of core services will be available regardless of where the individual initially enters the one stop system.

Sec. 2. Mandatory one stop partners in the one stop system include the entities that administer the following workforce investment programs:

(1) Programs under Title I of the Workforce Investment Act.

(2) Wagner-Peyser Act (29 U.S.C. 49, et seq.).

(3) Adult education and literacy programs under Title II of the Workforce Investment Act.

(4) Title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.).

(5) Section 403(5)(a) of the Social Security Act (42 U.S.C. 603(a)(5)).

(6) Title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.).

(7) Postsecondary vocational education activities authorized under the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.).

(8) Chapter 2 of Title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.).

(9) Chapter 41 of Title 38 of the United States Code.

(10) Employment and training activities carried out under the Community Services Block Grant Act (42 U.S.C. 9901 et seq.).

(11) Employment and training activities carried out by the Department of Housing and Urban Development.

(12) Programs authorized under the state unemployment compensation law (IC 22-4).

Sec. 3. (a) In addition to the one stop partners identified under section 2 of this chapter, a regional board may submit a proposal under this section to the governor and the state board to do any of the following:

(1) Incorporate the planning, policy, and oversight functions of any existing local or regional boards or councils.

(2) Include any other employment and training program that is funded on the federal, state, or local level as an optional one stop partner.

(b) An employment and training entity not designated under section 2 of this chapter may volunteer to become an optional one

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stop partner at the regional level with the approval of the regional board.

(c) A proposal submitted under this section must set forth the following:

- (1) The proposed optional one stop partner.
- (2) Whether the chief elected official or regional board will receive the proposed optional one stop partner's funding and have budgetary control over the proposed optional one stop partner, and, if so, a plan to ensure that staff of the regional board are not also staff of any mandatory or optional one stop partner.
- (3) Whether the regional board will incorporate other councils and boards for planning, policy, and oversight purposes.
- (4) Whether resources of the proposed optional one stop partner will be used to provide financial support for the independent staff of the regional board and the administrative functions of the fiscal agent.

(d) A proposed optional one stop partner that is approved under this section shall:

- (1) be represented on the regional board; and
- (2) enter into a memorandum of understanding with the regional board that identifies how the optional one stop partner will support the operating and administrative costs of the one stop system to the extent that the optional one stop partner may do so under the statutes, rules, or regulations governing the optional one stop partner.

Chapter 5. Powers and Duties of the Regional Board and One Stop Partners

Sec. 1. (a) The regional board, with the agreement of the chief elected official, shall develop and enter into a memorandum of understanding with each one stop partner concerning the operation of the workforce investment delivery system of the area.

(b) A memorandum of understanding entered into under this section must comply with instructions issued by the state.

Sec. 2. The regional board, together with the chief elected official, has planning, policy, and oversight responsibilities for the one stop system.

Sec. 3. The staff of the regional board may deliver services only under the following circumstances:

- (1) The one stop system in the region includes only mandatory one stop partners and voluntary optional one stop partners.

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(2) The management of service delivery is shared jointly among not less than three (3) of the mandatory one stop partners that are not employed by the same entity. The management partnership shall enter into a memorandum of understanding with the regional board that outlines the individual and collective responsibilities of the partners in service delivery and management.

Chapter 6. Fiscal Authority

Sec. 1. The chief elected official is the grant recipient for youth, adult, and dislocated worker funds under Title I of the Workforce Investment Act.

Sec. 2. The chief elected official:

- (1) may designate a fiscal agent; and
- (2) may not designate or assign liability to any other entity for youth, adult, and dislocated worker funds distributed by the fiscal agent.

SECTION 6. [EFFECTIVE UPON PASSAGE] (a) The definitions in IC 22-4.5-2, as added by this act, apply to this SECTION.

(b) Notwithstanding IC 22-4.5-3-2, as added by this act, a chief elected official may request that the governor designate an existing entity as a temporary regional board under the following conditions:

- (1) The local area overseen by the existing entity closely corresponds to the workforce investment area.
- (2) The existing entity was in existence on December 31, 1997, and either:
 - (A) was established under section 102 of the Job Training Partnership Act; or
 - (B) is substantially similar to the local board described in the Workforce Investment Act.
- (3) The existing entity includes representatives of business in the local area and either:
 - (A) for a local area in which employees are represented by labor organizations, representatives of labor organizations nominated by local labor federations; or
 - (B) for a local area in which no employees are represented by labor organizations, representatives of employees in the local area.
- (4) The request includes a transition plan that will bring the existing entity into compliance with the membership provisions of a local workforce investment board as defined by section 117 of the Workforce Investment Act not later than

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July 1, 1999.

(c) This SECTION expires July 1, 2000.

SECTION 7. [EFFECTIVE UPON PASSAGE] (a) Subject to the approval of the unemployment insurance board, the department of workforce development may use up to six million five hundred thousand dollars (\$6,500,000) of the available balance of the special employment and training services fund (as set forth in IC 22-4-25-1) for incumbent worker training. Not more than five percent (5%) of that amount may be used by the department of workforce development for its costs of administering incumbent worker training.

(b) For each state fiscal year that this SECTION is in effect, the department of workforce development shall prepare an annual report for the unemployment insurance board on the department of workforce development's use of the funds provided by this SECTION. The department of workforce development shall include in each annual report any information requested by the unemployment insurance board.

(c) This SECTION expires July 1, 2003.

SECTION 8. An emergency is declared for this act.

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